

**Appraisal of performance of State power utilities**

**2044. PROF. ALKA BALRAM KSHATRIYA:  
SHRIMATI SHOBHANA BHARTIA:**

**Will the Minister of POWER be pleased to state:**

**(a) whether preliminary reports on the performance of the State power utilities which aggregates data on State power utilities found losses of State utilities selling directly to consumers increase from Rs. 7247 crore in 2003-04 to Rs. 8,969 crore in 2004-05;**

**(b) whether commercial losses have shown an upward trend from Rs. 22,558 crore in 2004-05 to Rs. 22,581 crore in 2005-06; and**

**(c) if so, the other main points of the report and the steps being considered by the Ministry to reduce the losses?**

**THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE):** (a) and (b) As per the report compiled by Power Finance Corporation (PFC) on the "Performance of the State Power Utilities for the years 2002-03 to 2004-05", the aggregate losses after tax (on accrual basis) of utilities selling power directly to consumers were Rs. 8265 Crore during 2003-04, and Rs. 10,816 Crore during 2004-05. The overall financial/commercial losses (without subsidy) of the State Power Utilities were Rs. 29,331 Crore during 2001-02, which have been reduced to Rs. 22,126 Crore during 2004-05.

**(c) The other main points of the report are:**

- (i) The sector recorded a growth in the revenue from sale of energy of 9.42% in 2004-05 against 10.64% in the previous year.**
- (ii) The Aggregate turnover (sales to ultimate consumers+other income) grew from Rs. 98,152 crores in FY 2004 to Rs. 106,881 crores in FY 2005 reflecting a growth of 8.89% against 11.23% in the previous year.**
- (iii) The level of cost recovery stood at 89% in 2004-05 against 90% in the previous year.**
- (iv) The book loss (on accrual basis) declined from Rs. 14,736 crores in 2001-02 to Rs. 7,552 crores in 2002-03. The book losses however increased to Rs. 9,292 crores in 2003-04 and further to**

Rs. 11,110 crores in 2004-05. The incremental loss of Rs. 1,819 crores in 2004-05 was mainly on account of deterioration in the financial performance of utilities in the States of Uttar Pradesh, Punjab, Haryana, Jharkhand and Assam.

- (v) The average revenue (Rs/kwh) on subsidy booked basis decreased to Rs. 2.22 in 2003-04 against Rs. 2.23 in 2002-03. The average revenue increased to Rs. 2.30 in 2004-05 reflecting a rise of 3,14%
- (vi) The subsidy released by the State Governments was Rs. 11,753 crores in 2004-05 against Rs. 10,638 crores in 2003-04.

Government has already started taking measures to reduce the losses. These are:

**a) Technical Measures**

- \* Installation of Efficient meters
- \* Upgradation and strengthening of the weak distribution system
- \* Relocation of distribution sub-stations and/or provision of additional distribution sub-stations
- \* Installation of lower capacity distribution transformers to serve a smaller number/cluster of consumers and substitution of distribution transformers with those having lower no-load losses
- \* Installation of shunt capacitors
- \* Adoption of High Voltage Distribution System (HVDS)
- \* Regular maintenance of distribution network
- \* GIS mapping of sub transmission and distribution network including compilation of data
- \* IT intervention

**b) Commercial Measures**

- \* Improvement in metering and billing
- \* Improvement in revenue collection
- \* Energy accounting and auditing

**c) Management Measures**

- \* Adoption of energy accounting and auditing

- \* Proper network planning for future expansion
- \* Preparation of long-term plans on regular basis for phased strengthening and improvement of the distribution systems along with associated transmission system.
- \* Training of employees

**d) Policy Measures**

- \* Setting up of vigilance and legal measures in accordance with Electricity Act 2003, setting up of special courts, police stations, etc.
- \* Implementation of the Accelerated Power Development and Reforms Programme (APDRP) for upgradation and strengthening of sub-transmission and distribution system and providing incentive for reducing cash losses by SEBs/utilities.

**Completion of power projects**

†2045. SHRI JAI PARKASH AGGARWAL:  
DR. PRABHA THAKUR:

Will the Minister of POWER be pleased to state:

(a) the State-wise number of major Hydel Power projects, lying pending and incomplete in the country separately;

(b) whether Government propose to formulate any action plan to finish the incomplete projects handed over to the private sector; and

(c) if so, details thereof as on date?

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE): (a) Amongst the sanctioned major hydroelectric projects (HEPs) in the Central Sector, the works in respect of Tuirial HEP in Mizoram have been held up since June, 2004 due to law and order problems. The project was sanctioned in June, 1998 for implementation in the Central Sector through North Eastern Electric Power Corporation (NEEPCO).

(b) No incomplete project has been handed over to the private sector for completion.

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†Original notice of the question was received in Hindi.